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Iran probe shines into dark corners

Was US intelligence lax - or worse?

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Four words have started a furor in the United States intelligence community: "a number of intercepts."

They suggest that US eavesdroppers learned about the Iran arms scandal long before it became public. That raises some tough questions for US intelligence agencies. What did they know? When did they know it? And what did they do about it?

Those who have held senior US intelligence posts say the phrase - uttered by Attorney General Edwin Meese - refers to intercepted communications signals concerning arms sales to Iran. Mr. Meese said they led to the disclosure that proceeds from the sales had been diverted to Nicaragua's contra rebels.

The existence of such "intercepts" places US intelligence agencies on the horns of the same dilemma that's bedeviling senior officials of the Reagan White House: If they didn't know about US arms shipments to Iran and the diversion of profits to Nicaraguan rebels, why didn't they? And if they did, what did they do with the information?

Accordingly, the Central Intelligence Agency took the unusual step this week of issuing a public statement, denying that funds from bank accounts it controlled were diverted to the Nicaraguan contras "or any other covert action programs."

The Senate Intelligence Committee is now conducting closed-door hearings, touching upon the possible mishandling of intelligence data or, at worst, the deliberate withholding of vital information. As the probing gets deeper, intelligence agencies are declining to answer specific questions about what they knew and when.

"Virtually the entire government is enjoined from talking about this," says the spokesman for one agency.

And that, according to former CIA Director Stansfield Turner, might only heighten concern.

"I'm getting very worried about the secrecy that's going to envelop the independent counsel, and the leaks we're getting," he said. "It's going to get very confusing."

"They [intelligence agencies] must have known," one former senior Pentagon official says flatly. "And if they didn't, then they certainly should have."

So far, only a single US intelligence agency - the Central Intelligence Agency - has been tied to the arms sales. Administration officials have acknowledged that the CIA handled funds raised from the arms sales and channeled money back to the Defense Department as payment for the American weapons supplied to Iran.

Yet it is believed that at least one other US agency possessed information about the arms sales to Iran - the secretive National Security Agency, which routinely intercepts and decodes messages, phone calls, and electronic transmissions. The NSA is believed to be the source of the "intercepts" to which Meese referred. It is unknown whether the intercepts concerned only the arms sales, the diversion of funds to the contras, or both.

Normally, information culled from the intercepts would have been passed on to at least four other agencies - the CIA, the NSC, the Defense Intelligence Agency, and the State Department's Bureau of Intelligence and Research. Assuming the information was passed on, analysts at those other agencies could have raised questions about the arms transfers - questions that might have prevented improprieties.

There are a number of explanations for what happened next and why senior administration officials could have been unaware of the arms shipments.

One is that NSA did not "screen" the intercepted communications data so as to reveal their full import. That is, NSA could have programmed its computers to scan the intercepts for words that related to other topics - planning terrorist incidents, for example - but not directly to arms sales. Only later, one expert theorizes, was the material rescreened and its full import realized.

Another possibility is that analysts did discover that clandestine arms shipments to Iran were under way, and that millions of dollars were changing hands - but that in a region riddled with intrigue, they may not have fully appreciated the significance of that information.

Yet another is that intelligence officials did piece together the fact that arms shipments from the US and Israel were taking place but concluded that the operation was politically sensitive and decided not to reveal it to other responsible officials or agencies.

"That," one expert notes, "is not an intelligence officer's job." There is another possibility, according to another expert: the data were used deliberately to mislead responsible officials, and divert attention away from the clandestine operations being conducted by an NSC staff member, Lt. Col. Oliver North. But, he says, there is so far no indication this has happened.

"This all should have come to light a long time ago," says another expert on intelligence matters. "Or perhaps it did come to light - and was buried."